

EXHIBIT A

N23VHER1

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
-----x

3 HERMÈS INTERNATIONAL, et al.,

4 Plaintiffs,

5 v.

22 Civ. 384 (JSR)

6 MASON ROTHSCHILD,

7 Defendant.

Trial

8 -----x

New York, N.Y.
February 3, 2023
9:35 a.m.

10 Before:

11 HON. JED S. RAKOFF,

12 District Judge
13 -and a Jury-

14
15 APPEARANCES

16 BAKER & HOSTETLER LLP
Attorneys for Plaintiffs
17 BY: DEBORAH A. WILCOX
OREN J. WARSHAVSKY
18 GERALD J. FERGUSON

19 HARRIS ST. LAURENT & WECHSLER LLP
Attorneys for Defendant
20 BY: ADAM B. OPPENHEIM
JONATHAN A. HARRIS

21 LEX LUMINA PLLC
Attorneys for Defendant
22 BY: RHETT O. MILLSAPS, II
23 CHRISTOPHER SPRIGMAN
24
25

N23VHER7

1 granted and then reversed recently is *Gordon v. Drake*. And
2 that case is like the case you're positing. Judges and juries
3 can tell the difference; but if a case is a jump ball, if it's
4 not that screaming case of pretext like the one that you just
5 described for me, we should not be here.

6 THE COURT: Let me ask you this. And first off, I'm
7 glad you added "with all respect." Whenever I hear counsel say
8 that, I need to find my microscope.

9 Is the test objective or subjective?

10 MR. SPRIGMAN: The test is objective, your Honor. It
11 is objective. It is objective in the first factor, which is
12 artistic relevance. You look at the use. You ask, is the use
13 artistically relevant to the artwork?

14 Here, no reasonable jury could find that it's not for
15 the simplest possible reason: The use describes the content.
16 You know, Ginger and Fred in *Rogers v. Grimaldi* described the
17 content of the film. Regardless of whether people were
18 confused by that — and they were, by the way, there's evidence
19 in that case that the court saw 38 percent total confusion,
20 that is confusion about source, affiliation, licensing, 38
21 percent total confusion. The court said, That's not the point.
22 The point is this use is artistically relevant.

23 And it didn't, to get to the second factor --

24 THE COURT: Let's just stick with the first for a
25 minute.

N23sHER8

Charge Conference

1 THE COURT: I'll hear from defense counsel on that in a
2 minute.

3 Anything else?

4 MR. WARSHAVSKY: Yes. Also on this, I think the blind
5 eye should be to the likelihood the consumers would be confused
6 not the high likelihood, because it's only a likelihood of
7 confusion test.

8 THE COURT: Yes, I think that's right.

9 Let me hear from defense counsel.

10 MR. HARRIS: Raise one point and turn over to
11 Mr. Sprigman.

12 In the second sentence, Hermès contends that
13 Rothschild's use of the Birkin mark is likely to confuse
14 consumers into thinking blah, blah, blah.

15 I think it should be that he's likely to confuse --
16 consumers who are potential purchasers of MetaBirkins NFTs,
17 because I believe that based on Dr. Isaacson's testimony today,
18 he has conceded that there is no confusion among consumers of
19 Hermès handbags.

20 THE COURT: Yes. All right. So potential consumers,
21 I agree.

22 OK. I agree with that.

23 MR. SPRIGMAN: So, your Honor, my ask is going to be a
24 little bit more pervasive.

25 So instruction 11 should be demoted. What should be

N23sHER8

Charge Conference

1 in place of instruction 11 is a revised version of instruction
2 number 14. The way this is currently structured, you had
3 written it initially framed the First Amendment as a defense.
4 The First Amendment is not a defense in a Rogers case.

5 THE COURT: Well, that's why I changed the wording.

6 (Continued on next page)

N23VHER9

1 to the jury a 50-page unbelievably convoluted charge whose only
2 purpose was to prevent any appellate issue, and the jury would
3 never even be given a written copy. And that was the universal
4 practice. And the theory being that the jury exercises the
5 voice of the community or something like that. So far be it
6 that we should ask them to exercise reason.

7 So my object is to make things as simple for the jury
8 and straightforward for the jury as possible. And so my
9 reasoning was the *Rogers* test, no matter how phrased – and
10 we'll get to that in a minute – is, I think, going to be
11 something that will not be part of their everyday experience.
12 It's a much more legalistic kind of concept.

13 And they only have -- they have to reach it, but they
14 only have to reach it if they find that plaintiffs have already
15 proven under regular standards infringement or dilution or
16 whatever. And so that was my reasoning for doing it in the
17 order I did. And I'm still inclined that way, but I agree,
18 it's a close question.

19 MR. SPRIGMAN: Your Honor, I'm going to be frank. I
20 disagree because whether you phrase it as a defense or not, the
21 way this is structured, it looks to the jury like an excuse.
22 If they find Mr. Rothschild liable under the standards that
23 should not, by any means, apply in this case, but apply in a
24 case where it's a handbag versus a handbag instead of a handbag
25 versus a picture of a handbag --

N23VHER9

1 THE COURT: Well, I hear that, and I don't think
2 that's a frivolous argument. And I appreciate your saying you
3 disagree with me, because you've never disagreed with me
4 before.

5 MR. SPRIGMAN: That's what I'm here for, your Honor.

6 THE COURT: But I think one of the reasons I
7 thought -- another reason I thought it best to proceed this way
8 is that the test -- or, excuse me, the factors that they would
9 normally consider on things like explicitly misleading are
10 things that are also *Polaroid* factors. It's not all of it, and
11 I actually agree with you, it's a high standard. But it is the
12 *Polaroid* factors which were the product of the brilliance of
13 Henry Friendly, to -- you can have your Justice Scalia, but in
14 my view, Henry Friendly is the plus ultra.

15 MR. SPRIGMAN: I am on board with you, Judge, on that.

16 THE COURT: But, in any event, it was designed to get
17 at whether things are misleading, confused, and so forth.

18 So I thought it was also helpful to the jury to have
19 that first in their minds before we got to the higher standard
20 that has to be met under the First Amendment.

21 MR. SPRIGMAN: Your Honor, I understand the
22 motivation. But it clashes with *Rogers*. And I'll just read
23 something very brief from *Rogers* that I think will make this
24 clear.

25 THE COURT: Go ahead.

N23VHER9

1 MR. SPRIGMAN: *Rogers* said: We believe that, in
2 general, the act should be construed to apply to artistic works
3 only where the public interest -- the act should be construed
4 to apply to artistic works only where the public interest in
5 avoiding consumer confusion outweighs the public interest and
6 free expression. In the context of allegedly misleading titles
7 using a celebrity's name, that balance will normally not
8 support application of the act unless the title has no artistic
9 relevance to the underlying work whatsoever or if it has some
10 artistic relevance unless the title explicitly misleads.

11 Now, the court drops a footnote, very important
12 footnote. The footnote says: This limiting construction would
13 not apply to misleading titles that are confusingly similar to
14 other titles. The public interest in sparing consumers this
15 type of confusion outweighs the slight public interest in
16 permitting others to use such titles.

17 That, your Honor, is *Twin Peaks*. *Twin Peaks* takes up
18 that invitation in footnote 5 and applies the *Polaroid* factors
19 in a case where the limiting construction doesn't apply because
20 it's title versus title. That's when the *Polaroid* factors
21 apply.

22 Now, what I read to you at the beginning, I think,
23 pretty clearly says that you've got to start with *Rogers*,
24 because *Rogers* determines --

25 THE COURT: Well, I don't agree that it says I have to

N23VHER9

1 start. But I think there is some merit to your arguments as to
2 why it might be more logical and more reflective of the balance
3 to start. So I'm still open to that possibility.

4 So assuming we started, we would still get to the
5 instruction on infringement if they --

6 MR. SPRIGMAN: We would. We would get there later,
7 but we would start with the instruction --

8 THE COURT: No, no, no. I understand. But I'm just
9 saying -- because I have to put together a charge. Assuming
10 for the sake of argument that we start with 14 as modified --

11 MR. SPRIGMAN: Yes.

12 THE COURT: -- do you have any other problem with what
13 will then be the next thing, if, and only if, you find they've
14 survived that test, then we get to infringement, and then I'll
15 give them essentially what is now instruction 11.

16 MR. HARRIS: Your Honor, I think -- I'm not exactly
17 sure that it's a problem with 11; but it would need to be in
18 here the particularly compelling language. I know things are
19 being moved around. So I'm not sure where in your formulation
20 that would go. But that's my understanding.

21 THE COURT: Unless I missed something completely,
22 here's the choice: Either, as it presently reads, we say, In
23 order to find liability on each of the three claims, you have
24 to find this on infringement, you have to find this on
25 dilution, you have to find this on cybersquatting. But even if

N23VHER9

1 Second of all, I had raised the issue, and I thought
2 you had agreed to it, and then you hadn't stated it as you went
3 through the things. Maybe I just misheard. But I had raised
4 the issue that the only thing that Hermès is alleging in this
5 case at this point is forward confusion, which is that it is
6 potential consumers NFT of --

7 THE COURT: So thank you for raising that. But I felt
8 good about saying things I just did anyway, but thank you for
9 raising that.

10 So that's a different point than what I had
11 understood. So let me make a note here right now about that
12 and I will take that into consideration.

13 MR. HARRIS: Thank you, your Honor.

14 THE COURT: All right. Trademark dilution. Again,
15 forget about the order question. Anything that plaintiffs
16 would change?

17 MR. WARSHAVSKY: No, your Honor.

18 THE COURT: Anything defense counsel would change?

19 MR. SPRIGMAN: Yes. Two things, broadly.

20 If you look at the third paragraph, it begins: The
21 Birkin mark is famous if it is widely recognized by the general
22 consuming public as designating Hermès as the source of goods
23 bearing the mark.

24 This case poses a special problem with respect to
25 fame. So fame is typically a mark that is a household name

N23VHER9

1 across the United States: Chevy, Coke, Nike.

2 Hermès Birkin mark is not such. All the while --

3 THE COURT: Why do you say that?

4 MR. SPRIGMAN: So they've been using famous
5 colloquially.

6 THE COURT: So --

7 MR. SPRIGMAN: So what I would -- sorry.

8 THE COURT: Every time I meet over the last month a
9 couple I know, dozens of couples, and I say to them, Do you
10 know what a Birkin bag is? And the male always says, Never
11 heard of it. And the female always says, Of course.

12 MR. SPRIGMAN: Yes, your Honor.

13 THE COURT: So why isn't it fame?

14 MR. SPRIGMAN: That answers the question. The general
15 consuming public of the United States includes men, first of
16 all. And even in this bubble of ultra privilege in which we
17 live where people can afford Birkin bags --

18 THE COURT: I'm sorry, how many men are consumers of
19 handbags?

20 MR. SPRIGMAN: No, your Honor, that is not the
21 standard. The standard under the Lanham Act for fame, for
22 trademark fame, is the general consuming public of the United
23 States, which means, first, general --

24 THE COURT: That's, of course, the term I use here.
25 In the sentence I say: The Birkin bag is famous if it is

N23VHER9

1 widely recognized by the general consuming public.

2 MR. SPRIGMAN: Your Honor, nationwide. Because we all
3 live in New York City, where it's environs. Birkins, if you
4 had a relative in Peoria, not to slight Peoria, it's
5 unlikely --

6 THE COURT: I put it to my cousin in -- my cousin and
7 her husband in San Diego over the weekend. She knew
8 immediately what I was talking about and said she only wished
9 she had one.

10 MR. SPRIGMAN: Your Honor, San Diego is a city in
11 which Hermès has a store, because San Diego is also an enclave
12 of the rich. Most of this country is not an enclave of the
13 rich and people in most of this country have no idea, have
14 never heard of either Hermès or a Birkin bag.

15 I'm sure if you travel out to New Jersey --

16 THE COURT: Why isn't that just argument? What I've
17 said in this is the Birkin bag -- excuse me, the Birkin mark is
18 famous if it is widely recognized by the general consuming
19 public as designating Hermès as the source of the goods bearing
20 the mark. In measuring fame, you may consider your own
21 experiences, as well as the extent, history, and geographic
22 reach of advertising and publicity of the mark both by Hermès
23 or third parties, the amount, volume, and geographic reach of
24 sales of products bearing the mark, the extent to which members
25 of the public actually recognize the mark, and whether the mark

N23VHER9

1 was federally registered.

2 So I've repeated twice in specific terms the
3 geographic argument. And I've also included the more general
4 language about the general consuming product, giving full reign
5 to your colleague on summation to say they never heard of
6 Birkin in Peoria, although I doubt there's been any evidence of
7 that, but that still may be an argument.

8 So what more do you want?

9 MR. SPRIGMAN: I would like you to just do it a little
10 bit more clearly for the jury, which means general consuming
11 public nationwide or general consuming public of the United
12 States.

13 THE COURT: Denied.

14 MR. SPRIGMAN: Make that clear.

15 THE COURT: Let's go on to cybersquatting. Anything
16 plaintiffs would change on that?

17 MR. WARSHAVSKY: No, your Honor.

18 THE COURT: Anything defense would change on that?

19 MR. SPRIGMAN: No, your Honor.

20 THE COURT: All right. Now we get to 14. And
21 obviously the wording will have to change if we go first with
22 that, but let's get beyond that.

23 So the first sentence would now be, if we go first
24 with that: Before you reach anything else, you need to
25 determine, words to that effect, whether Mr. Rothschild must be

N23sHER10

Charge Conference

1 just said would be a clear articulation of that and wouldn't
2 necessarily --

3 THE COURT: OK. I can fix the wording on that.

4 MR. SPRIGMAN: So then you say, given that, you can
5 find Mr. Rothschild liable on any of Hermès' claims if and only
6 if Hermès has proved by a preponderance of the evidence that,
7 one, Mr. Rothschild used the Birkin mark not for any artistic
8 or non-commercial purposes, but rather to solely -- I think the
9 word solely has to be in there -- solely to exploit the
10 popularity and goodwill that consumers associate with the
11 Birkin mark.

12 Again, your Honor, this first part of the test should
13 not be a freeform balancing test but, in fact, if there is any
14 artistic purpose, this element should be found in favor of
15 Mr. Rothschild. So the word "solely" would help.

16 THE COURT: Well, see, that's why I was very surprised
17 when you disagreed with me on our discussion of objective
18 versus subjective. If we were talking about his intent, then
19 the word "solely" might have to be in there.

20 But you told me, oh, no, it's an objective test.

21 MR. SPRIGMAN: Your Honor, I'm arguing in two
22 different levels at the same time.

23 THE COURT: That's clear.

24 MR. SPRIGMAN: Yes, but, your Honor, you have to give
25 me points on that, because I'm arguing within the framework

N23sHER10

Charge Conference

1 that you have set down. I'm also arguing with the framework I
2 think is right, having read these cases many, many times. So
3 please give me the latitude to operate in both a practical and
4 ideal.

5 THE COURT: Yes.

6 MR. SPRIGMAN: So with respect to the second, and that
7 is really the nub, the nub is -- again, I have sympathy for
8 you.

9 What does explicitly misleading mean?

10 Let me suggest something that I think would be helpful
11 to the jury. Explicitly misleading use is not a use which may
12 merely confuse consumers who draw mistaken inference of
13 connection to Hermès, and explicitly misleading use must
14 suggest that connection directly and unambiguously.

15 That's the heart of it.

16 THE COURT: Well, part of it is there. I say clearly
17 and unambiguously. I'm willing to change clearly to directly.

18 So you just want the additional --

19 MR. SPRIGMAN: Well, your Honor, what I'm reacting to
20 is somewhat infelicitous construction of a statement, a use --
21 I'm sorry -- a use of a mark clearly unambiguously confuses
22 people. That is a conceptual mouthful, if I may mix metaphors.

23 And what I was trying to do was to break this out a
24 little bit into the idea that ordinary confusion and ordinarily
25 confusing use of a mark confuses consumers by allowing them to

N23sHER10

Charge Conference

1 draw mistaken inference. That is not explicitly misleading
2 use. Explicitly misleading use which, again, is the point of
3 the Rogers test to really limit liability here, to instances
4 where someone goes out and says, This is from Hermès, right, in
5 the title.

6 MetaBirkins by Hermès would be an explicitly
7 misleading use. You can read that right off of Rogers in the
8 examples that they use to define it. Not an inference, but an
9 explicit statement that commands the conclusion, if anyone is
10 paying attention, that --

11 THE COURT: All right. So just read me the specific
12 language that you would substitute for that second sentence.

13 MR. SPRIGMAN: And (2) that such use was explicitly
14 misleading. An explicitly misleading use is not a use which
15 may merely confuse consumers who draw mistaken inference of
16 connection to Hermès. An explicitly misleading use must
17 suggest that connection directly and unambiguously.

18 THE COURT: All right. What are you reading from, by
19 the way?

20 MR. SPRIGMAN: What I wrote.

21 THE COURT: That's a good authority.

22 All right. I will certainly consider that.

23 Now since we are getting quite late and our reporter
24 has to leave in approximately one minute, I'll hear from
25 plaintiff's counsel in a minute on 14.